

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 58122

Klickitat County Hospital District No. 1
DBA Klickitat Valley Hospital

Klickitat County, Washington

January 1, 1995 Through December 31, 1995

Issue Date: March 7, 1997

TABLE OF CONTENTS

	Page
Management Section	
Independent Auditor's Report On Compliance With State Laws And Regulations	M-1
Financial Section	
Independent Auditor's Report On Financial Statements	F-1
General-Purpose Financial Statements:	
Comparative Balance Sheet - 1995 And 1994	F-3
Comparative Statement Of Liabilities And Fund Balance - 1995 And 1994	F-4
Comparative Statement Of Revenues And Expenses - 1995 And 1994	F-5
Comparative Statement Of Cash Flows - 1995 And 1994	F-6
Notes To Financial Statements	F-7
Addendum	
Directory Of Officials	A-1

Klickitat County Hospital District No. 1
DBA Klickitat Valley Hospital
Klickitat County, Washington
January 1, 1995 Through December 31, 1995

**Independent Auditor's Report On Compliance With State
Laws And Regulations**

Board of Commissioners
Klickitat County Hospital District No. 1
Goldendale, Washington

We have audited the general-purpose financial statements, as listed in the table of contents, of Klickitat County Hospital District No. 1, Klickitat County, Washington, as of and for the fiscal year ended December 31, 1995, and have issued our report thereon dated November 19, 1996.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the district complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the district's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the district and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the district complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the district had not complied, in all material respects with those provisions.

This report is intended for the information of management and the board of commissioners and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag
State Auditor

November 19, 1996

Klickitat County Hospital District No. 1
DBA Klickitat Valley Hospital
Klickitat County, Washington
January 1, 1995 Through December 31, 1995

Independent Auditor's Report On Financial Statements

Board of Commissioners
Klickitat County Hospital District No. 1
Goldendale, Washington

We have audited the accompanying financial statements of Klickitat County Hospital District No. 1, Klickitat County, Washington, as of and for the fiscal years ended December 31, 1995 and 1994, as listed in the table of contents. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As disclosed in Note 12 to the financial statements, generally accepted accounting principles require the current portion of long-term debt be presented separately from the long-term portion. The district only used this accounting treatment for some of its long-term debt. As a result, long-term debt presented on the district's balance sheet is overstated and current liabilities are understated by \$120,000 and \$115,000, as of December 31, 1995 and 1994, respectively.

The Statement of Cash Flows is not fairly presented for the year ended December 31, 1994. The 1994 refunding general obligation debt and a capital lease were omitted from the financing activities section of the statement.

In our opinion, because of the effects of the matters discussed in the preceding paragraph, the Statement of Cash Flows is not fairly presented in accordance with generally accepted accounting principles for the year ended December 31, 1994.

In our opinion, except for not presenting current portion of the long-term debt as discussed above, the financial statements referred to above present fairly, in all material respects, the cash flows for 1995, the financial position of Klickitat County Hospital District No. 1 at December 31, 1995 and 1994, and the results of its operations for the fiscal years then ended, in conformity with generally accepted accounting principles.

Brian Sonntag
State Auditor

November 19, 1996